

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2156 Session of 2018

INTRODUCED BY TOBASH, MULLERY, ROEBUCK, QUIGLEY, RYAN, PICKETT, THOMAS, DAVIS, HICKERNELL, READSHAW, BOBACK, A. DAVIS, CHARLTON, SCHLOSSBERG, BERNSTINE, FEE, LEWIS, MCGINNIS, STAATS, IRVIN, SOLOMON, SCHLEGEL CULVER, PHILLIPS-HILL, PASHINSKI, DERMODY, HEFFLEY, J. McNEILL, DRISCOLL, GROVE, HANNA, A. HARRIS, MARSICO, REESE, RAPP, COX, JOZWIAK, GOODMAN, DeLUCA, O'NEILL, ENGLISH, ROTHMAN, MICCARELLI, DUSH, D. COSTA, M. QUINN, WHEELAND AND KLUNK, APRIL 6, 2018

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 1, 2018

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," providing for Career and Technical
6 Education Partnership Tax Credit Program.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
10 as the Public School Code of 1949, is amended by adding an
11 article to read:

ARTICLE XX-H

CAREER AND TECHNICAL EDUCATION PARTNERSHIP

TAX CREDIT PROGRAM

15 Section 2001-H. Scope of article.

16 This article relates to the Career and Technical Education

1 Partnership Tax Credit Program.

2 Section 2002-H. Definitions.

3 The following words and phrases when used in this article
4 shall have the meanings given to them in this section unless the
5 context clearly indicates otherwise:

6 "Area career and technical education school." Any of the
7 following:

8 (1) A specialized public secondary school used
9 exclusively or principally for the provision of career and
10 technical education to individuals who are available for
11 study in preparation for entering the labor market.

12 (2) The department of a public secondary school
13 exclusively or principally used for providing career and
14 technical education in not fewer than five different
15 occupational fields to individuals who are available for
16 study in preparation for entering the labor market.

17 (3) A public or nonprofit technical institution or
18 career and technical education school used exclusively or
19 principally for the provision of career and technical
20 education to individuals who have completed or left secondary
21 school and who are available for study in preparation for
22 entering the labor market, if the institution or school
23 admits, as regular students, individuals who have completed
24 secondary school and individuals who have left secondary
25 school.

26 (4) The department or division of an institution of
27 higher education that operates under the policies of the
28 eligible agency and that provides career and technical
29 education in not fewer than five different occupational
30 fields leading to immediate employment but not necessarily

1 leading to a baccalaureate degree, if the department or
2 division admits, as regular students, individuals who have
3 completed secondary school and individuals who have left
4 secondary school.

5 "Business firm." An entity which is authorized to do
6 business in this Commonwealth and subject to taxes imposed by
7 Article III, IV, VI, VII, VIII, IX, XV or XX of the Tax Reform
8 Code of 1971 or a tax under Article XVI of the act of May 17,
9 1921 (P.L.682, No.284), known as The Insurance Company Law of
10 1921. The term includes a pass-through entity, including a pass-
11 through entity whose purpose is the making of contributions
12 under this article and whose shareholders, partners or members
13 are composed of owners or employees of other business firms.

14 "Career and technical education." Organized educational
15 activities which meet all of the following:

16 (1) Offer a sequence of courses that:

17 (i) provides individuals with coherent and rigorous
18 content aligned with challenging academic standards and
19 relevant technical knowledge and skills needed to prepare
20 for further education and careers in current or emerging
21 professions;

22 (ii) provides technical skill proficiency, an
23 industry-recognized credential, a certificate or an
24 associate degree; and

25 (iii) may include prerequisite courses, other than a
26 remedial course, that meet the requirements of this
27 paragraph.

28 (2) Include competency-based applied learning that
29 contributes to the academic knowledge, higher-order reasoning
30 and problem-solving skills, work attitudes, general

1 employability skills, technical skills, occupation-specific
2 skills and knowledge of all aspects of an industry, including
3 entrepreneurship, and an individual.

4 "Career and technical partnership organization." A nonprofit
5 entity which meets all of the following:

6 (1) Is exempt from Federal taxation under section 501(c)
7 (3) of the Internal Revenue Code of 1986 (Public Law 99-514,
8 26 U.S.C. § 1 et seq.).

9 (2) Provides support or expands access to career and
10 technical education.

11 (3) Contributes based on one of the following:

12 (i) At least 80% of its annual receipts as
13 contributions to a public school, area career and
14 technical education school, charter school, regional
15 charter school or an institution of higher education. For
16 purposes of this subparagraph, a nonprofit entity
17 "contributes" its annual cash receipts when it expends or
18 otherwise irrevocably encumbers those funds for
19 expenditure during the then-current fiscal year of the
20 nonprofit entity or during the next succeeding fiscal
21 year of the nonprofit entity. A nonprofit entity shall
22 include a school district foundation, public school
23 foundation, charter school foundation, area career and
24 technical education school foundation or institution of
25 higher education.

26 (ii) At least 80% of its annual cash receipts to a
27 scholarship program. For purposes of this subparagraph, a
28 nonprofit entity "contributes" its annual cash receipts
29 to a scholarship program when it expends or otherwise
30 irrevocably encumbers those funds for distribution during

1 the then-current fiscal year of the nonprofit entity or
2 during the next succeeding fiscal year of the nonprofit
3 entity.

4 (iii) At least 80% of its annual cash receipts to a
5 combination of expenditures under subparagraphs (i) and
6 (ii).

7 "Charter school." As defined in section 1703-A.

8 "Contribution." The donation of any of the following:

9 (1) Cash or personal property.

10 (2) Services, the value of which is the net cost of the
11 donation to the donor or the pro rata hourly wage, including
12 benefits, of the individual performing the service.

13 "Department." The Department of Community and Economic
14 Development of the Commonwealth.

15 "Dual enrollment program." A program which provides an
16 eligible student with college credits while fulfilling high
17 school requirements at the same time.

18 "Eligible student." A student who:

19 (1) is 22 years of age or younger;

20 (2) is enrolled in a school, area career and technical
21 education school, charter school, regional charter school or
22 institution of higher education; and

23 (3) has enrolled in at least two career and technical
24 education courses.

25 "High-demand occupation." A profession that:

26 (1) is found in the current year high-priority
27 occupations list developed by the Department of Labor and
28 Industry; and

29 (2) requires a credential, certification, licensing,
30 postsecondary training, an associate's degree, a master's

1 degree or a doctoral or first professional degree.

2 "Institution of higher education." An accredited entity
3 located in this Commonwealth which is any of the following:

4 (1) A community college operating under Article XIX-A.

5 (2) A university within the State System of Higher
6 Education.

7 (3) The Pennsylvania State University, the University of
8 Pittsburgh, Temple University, Lincoln University or any
9 other institution designated as State-related by the
10 Commonwealth.

11 (4) The Thaddeus Stevens College of Technology.

12 (5) A college established under Article XIX-G.

13 (6) An institution of higher education located in and
14 incorporated or chartered by the Commonwealth and entitled to
15 confer degrees as specified in 24 Pa.C.S. § 6505 (relating to
16 power to confer degrees) and as provided for by the standards
17 and qualifications prescribed by the State Board of Education
18 under 24 Pa.C.S. Ch. 65 (relating to private colleges,
19 universities and seminaries).

20 (7) A private school licensed under the act of December
21 15, 1986 (P.L.1585, No.174), known as the Private Licensed
22 Schools Act.

23 (8) A foreign corporation approved to operate an
24 educational enterprise under 22 Pa. Code Ch. 36 (relating to
25 foreign corporation standards).

26 "Nonpublic school." A nonprofit school, other than a public
27 school within this Commonwealth, at which a resident of this
28 Commonwealth may legally fulfill the compulsory school
29 attendance requirements of this act and which meets the
30 applicable requirements of Title VI of the Civil Rights Act of

1 1964 (Public Law 88-352, 78 Stat. 241).

2 "Parent." An individual who:

3 (1) is a resident of this Commonwealth; and

4 (2) either:

5 (i) has legal custody or guardianship of a student;

6 or

7 (ii) keeps in the individual's home a student and

8 supports the student gratis as if the student were a

9 lineal descendant of the individual.

10 "Pass-through entity." A partnership as defined in section
11 301(n.0) of the Tax Reform Code of 1971, a single-member limited
12 liability company treated as a disregarded entity for Federal
13 income tax purposes or a Pennsylvania S corporation as defined
14 in section 301(n.1) of the Tax Reform Code of 1971. The term
15 includes a pass-through entity that owns an interest in a pass-
16 through entity.

17 "Program." The Career and Technical Education Partnership
18 Tax Credit Program established under this article.

19 "Public school." A public elementary school or a public
20 secondary school at which a resident of this Commonwealth may
21 legally fulfill the compulsory school attendance requirements of
22 this act and which meets the applicable requirements of Title VI
23 of the Civil Rights Act of 1964.

24 "Recipient." An applicant who receives a scholarship.

25 "Regional charter school." As defined in section 1703-A.

26 "Scholarship." An award under a scholarship program.

27 "Scholarship program." A program to pay school-related fees
28 for eligible students to attend a school, area career and
29 technical education school, charter school, regional charter
30 school or institution of higher education located in this

1 Commonwealth. A scholarship program must include an application
2 and review process for the purpose of making awards to eligible
3 students.

4 "School." A public or nonpublic secondary school at which a
5 resident of this Commonwealth may legally fulfill the compulsory
6 school attendance requirements of this act and which meets the
7 applicable requirements of Title VI of the Civil Rights Act of
8 1964.

9 "School-related fees." Tuition and fees normally assessed a
10 student carrying an academic or certification workload as
11 determined by the school, area career and technical education
12 school, charter school, regional charter school or institution
13 of higher education and including costs for rental or purchase
14 of equipment, materials or supplies required of all students in
15 that course of study.

16 "Secondary school." A school with an eleventh grade.

17 "Student." An individual who meets all of the following:

18 (1) Is registered for grades nine through 12.

19 (2) Is a resident of this Commonwealth.

20 (3) Attends or is about to attend a public school, area
21 career and technical education school, charter school,
22 regional charter school or institution of higher education.

23 "Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6,
24 No.2), known as the Tax Reform Code of 1971.

25 Section 2003-H. Qualification and application by organizations.

26 (a) Establishment.--In accordance with section 14 of Article
27 III of the Constitution of Pennsylvania, the Career and
28 Technical Education Partnership Tax Credit Program is
29 established to expand access to high-career and technical
30 education by encouraging private investment in education, career

1 and technical education programs and the repair, upkeep,
2 replacement and upgrading of industry-grade materials and
3 instructional equipment as approved by participating schools
4 under section 2009-H.

5 (b) Information.--To qualify under this article, a career
6 and technical partnership organization must submit information
7 to the department that enables the department to confirm that
8 the organization is exempt from taxation under section 501(c)(3)
9 of the Internal Revenue Code of 1986 (Public Law 99-514, 26
10 U.S.C. § 1 et seq.).

11 (c) Certification.--

12 (1) By ~~September 1, 2019~~ OCTOBER 1, 2018, and each <--
13 September 1 thereafter, a career and technical partnership
14 organization must certify to the department that the
15 organization is eligible to participate in the program and
16 must report the following information to the department:

17 (i) The number of scholarships awarded during the
18 immediately preceding school year to eligible students.

19 (ii) The total and average amounts of the
20 scholarships awarded during the immediately preceding
21 school year to eligible students.

22 (iii) Where the career and technical partnership
23 organization collects information on a county-by-county
24 basis, the total number and the total amount of
25 scholarships awarded during the immediately preceding
26 school year to residents of each county in which the
27 scholarships were awarded.

28 (iv) The total number of scholarship applications
29 processed and the amounts of any application fees
30 charged, either per scholarship application or in the

1 aggregate through a third-party processor.

2 (v) The name of any career and technical education
3 program and the total amount of the contribution made to
4 those programs during the immediately preceding school
5 year.

6 (vi) A description of how each contribution was
7 utilized during the immediately preceding school year and
8 a description of vocational and technical education
9 programs through a coherent sequence of courses to ensure
10 learning in career and technical education and entry into
11 a high-demand occupation.

12 (vii) The name of each school, area career and
13 technical education school, charter school, regional
14 charter school or institution of higher education that
15 works with high technology industries to offer voluntary
16 internships and mentoring programs.

17 (viii) The name of each school, area career and
18 technical education school, charter school, regional
19 charter school or institution of higher education where
20 career and technical programs that received contributions
21 during the immediately preceding school year were
22 implemented.

23 (ix) Where the career and technical partnership
24 organization collects information on a county-by-county
25 basis, the total number and the total amount of
26 contributions made during the immediately preceding
27 school year for programs at schools, institutions of
28 higher education and career and technical schools in each
29 county in which the contributions were made.

30 (x) The credential earned by each student using a

1 scholarship, including, but not limited to, a
2 certificate, industry certification or State license, and
3 the industry or occupation to which the credential is
4 linked.

5 (xi) The organization's Federal Form 990 or other
6 Federal form indicating the tax status of the
7 organization for Federal tax purposes, if any, and a copy
8 of a compilation, review or audit of the organization's
9 financial statements conducted by a certified public
10 accounting firm.

11 (2) The information required under paragraph (1) shall
12 be submitted on a form provided by the department. By
13 September 1, ~~2019~~ 2018, and each ~~September~~ MAY 1 thereafter, <--
14 the department shall distribute sample forms, together with
15 the forms on which the reports are required to be made, to
16 each listed career and technical partnership organization.

17 (3) The department may not require any other information
18 to be provided by career and technical partnership
19 organizations, except as expressly authorized in this
20 article.

21 (4) The department shall consult with the Department of
22 Education and the Department of Labor and Industry.

23 (5) A career and technical partnership organization that
24 does not meet the requirements of this article shall not be
25 eligible to participate in the program.

26 Section 2004-H. Application by business firms.

27 (a) Application.--A business firm may apply to the
28 department for a tax credit for contributions to a career and
29 technical partnership organization under section 2005-H. A
30 business firm shall receive a tax credit under this article if

1 the career and technical partnership organization that receives
2 the contribution appears on the list established under section
3 2007-H, subject to the limitations in sections 2005-H and 2006-
4 H.

5 (b) Availability of tax credits.--Tax credits under this
6 article shall be made available by the department on a first-
7 come, first-served basis within the limitation established under
8 section 2006-H(a).

9 (c) Contributions.--A contribution by a business firm to a
10 career and technical partnership organization shall be made no
11 later than 60 days following the approval of an application
12 under subsection (a) or (b).

13 Section 2005-H. Tax credits.

14 (a) Business firm.--In accordance with section 2006-H, the
15 Department of Revenue shall grant a tax credit against any
16 applicable tax to a business firm providing proof of a
17 contribution to a career and technical partnership organization
18 in the taxable year in which the contribution is made in
19 accordance with the following:

20 (1) The tax credit shall not exceed 75% of the total
21 amount contributed during the taxable year by the business
22 firm.

23 (2) Except as provided under subsection (g), for fiscal
24 year 2018-2019, and each fiscal year thereafter, the tax
25 credit shall not exceed \$750,000 annually per business firm
26 for contributions made to career and technical partnership
27 organizations.

28 (b) Additional amount.--In accordance with section 2006-H,
29 the Department of Revenue shall grant a tax credit of up to 90%
30 of the total amount contributed during the taxable year if the

1 business firm provides a written commitment to provide the
2 career and technical partnership organization with the same
3 amount of contribution for two consecutive tax years. The
4 business firm must provide the written commitment under this
5 subsection to the department at the time of application.

6 (c) Restriction on applicability of credits.--No credits
7 granted under this section shall be applied against tax withheld
8 by an employer from an employee under Article III of the Tax
9 Reform Code of 1971.

10 (d) Time of application for credits.--

11 (1) Except as provided in paragraph (2), the department
12 may accept applications for tax credits available during a <--
13 fiscal year 2018-2019 BEGINNING NO EARLIER THAN JANUARY 1, <--
14 2019, AND no earlier than July 1 of each fiscal year
15 THEREAFTER. <--

16 (2) The application of a business firm for tax credits
17 available during a fiscal year as part of the second year of
18 a two-year commitment or as a renewal of a two-year
19 commitment which was fulfilled in the previous fiscal year
20 may be accepted no earlier than May 15 preceding the fiscal
21 year.

22 (e) Approval of tax credits.--Unless otherwise requested by
23 the business firm and agreed to by both the business firm and
24 the department, and unless all authorized credits have already
25 been awarded, for fiscal year 2019-2020, and each fiscal year <--
26 thereafter, the department shall give written notice of its
27 approval to each business firm that submitted a completed
28 application under subsection (d) within 30 days following
29 receipt of the completed application.

30 (f) Waiting list.--The department shall maintain a waiting

1 list consisting of each business firm which chooses to be
2 included on the list and whose application has not been approved
3 because all available tax credits have been awarded. A business
4 firm that was not awarded a tax credit due to a lack of
5 available tax credits shall be notified of and offered a place
6 on the waiting list. When tax credits become available, the
7 department shall award the tax credits to the business firms in
8 the order in which the business firms were placed on the waiting
9 list.

10 (g) Temporary increase in maximum tax credits available.--

11 (1) If all tax credits authorized under this article for
12 contributions to career and technical partnership
13 organizations have not been awarded as of October 1 of a
14 fiscal year, then for applications accepted by the department
15 from October 1 through November 30 of that fiscal year, the
16 limitations specified in subsection (a) shall not apply.
17 Under this paragraph, the department may accept applications
18 under section 2004-H from October 1 through November 30 from
19 a business firm, including a business firm that already
20 applied for the maximum tax credits available under
21 subsections (a) and (d), which may apply under section 2004-
22 H(a) for up to the total amount of tax credits remaining
23 available for contributions to career and technical
24 partnership organizations for the fiscal year as specified in
25 section 2006-H(a).

26 (2) The provisions of subsection (b) shall not apply to
27 applications for tax credits made under this subsection. Tax
28 credits awarded under this subsection shall not exceed 75% of
29 the total amount contributed during the taxable year by a
30 business firm pursuant to an application filed under this

1 subsection.

2 (3) Prior to the award of tax credits applied for under
3 this subsection, the department shall first award tax credits
4 applied for by a business firm during the period October 1
5 through November 30 in an amount no greater than the maximum
6 amount of tax credits for which a business firm is eligible
7 under subsection (a). The tax credits shall be awarded on a
8 first-come, first-served basis as set forth in section 2004-
9 H(c).

10 Section 2006-H. Limitations.

11 (a) Amount.--

12 ~~(1) Subject to paragraph (2), the THE total aggregate~~ <--
13 ~~amount of all tax credits approved for contributions from~~
14 ~~business firms to career and technical partnership~~
15 ~~organizations shall not exceed \$15,000,000 in a fiscal year.~~

16 ~~(2) Beginning July 1, 2019, and each July 1 thereafter,~~ <--
17 ~~the department shall automatically increase the tax credit~~
18 ~~amount by \$5,000,000 if the amount used in the prior fiscal~~
19 ~~year is equal to or greater than 90% of the total tax credit~~
20 ~~amount approved in the prior fiscal year or the amount~~
21 ~~published by the Legislative Reference Bureau under~~
22 ~~subparagraphs (i) and (ii). The following shall apply:~~

23 ~~(i) The department shall immediately submit notice~~
24 ~~of the increased dollar amounts to the Legislative~~
25 ~~Reference Bureau.~~

26 ~~(ii) The Legislative Reference Bureau shall publish~~
27 ~~the notice in the Pennsylvania Bulletin.~~

28 (b) Activities.--No tax credit shall be approved for
29 activities that are a part of a business firm's normal course of
30 business.

1 (c) Tax liability.--

2 (1) Except as provided in paragraph (2), a tax credit
3 granted for any one taxable year may not exceed the tax
4 liability of a business firm.

5 (2) In the case of a credit granted to a pass-through
6 entity which elects to distribute the credit under this
7 article, a tax credit granted for any one taxable year and
8 distributed to a shareholder, member or partner may not
9 exceed the tax liability of the shareholder, member or
10 partner.

11 (d) Use.--A tax credit not used by the applicant in the
12 taxable year the contribution was made or in the year designated
13 by the shareholder, member or partner to whom the credit was
14 transferred under this article may not be carried forward or
15 carried back and is not refundable or transferable.

16 (e) Nontaxable income.--A scholarship received by an
17 eligible student shall not be considered to be taxable income
18 for the purposes of Article III of the Tax Reform Code of 1971.

19 (f) Financial assistance.--A scholarship received by a
20 recipient shall not impact an appropriation, education funding
21 or other financial assistance received by the school which is
22 attended by the recipient.

23 Section 2007-H. Lists.

24 By June 30, 2019, and each June 30 thereafter, the Department
25 of Revenue shall provide a list of all career and technical
26 partnership organizations receiving contributions from business
27 firms granted a tax credit under this article to the General
28 Assembly.

29 Section 2008-H. Guidelines.

30 Within ~~90~~ 45 days of the effective date of this section, in <--

1 consultation with the Department of Education and the Department
2 of Labor and Industry, the department shall develop guidelines
3 to determine the eligibility of a career and technical education
4 program.

5 Section 2009-H. School participation in program.

6 (a) Election.--By February 15, 2019, and each February 15 <--
7 OCTOBER 1, 2018, AND EACH JANUARY 1 thereafter, a school, area <--
8 career and technical education school, charter school, regional
9 charter school or institution of higher education may elect to
10 participate in the program for the following school year.

11 (b) Notice.--

12 (1) A school, area career and technical education
13 school, charter school, regional charter school, ~~cyber~~ <--
14 ~~charter school~~ or institution of higher education that elects
15 to participate under subsection (a) must notify the
16 Department of Education of the intent to participate.

17 (2) For a school district, the notice under paragraph
18 (1) must be submitted on a form developed by the Department
19 of Education and shall specify all of the following:

20 (i) Each school within the school district which the
21 school district intends to make a participating public
22 school.

23 (ii) The amount of tuition and school-related fees
24 attributable to each available seat. The amount under
25 this subparagraph shall not exceed the amount calculated
26 under section 2561.

27 (3) For a nonpublic school, area career and technical
28 education school, charter school, regional charter school or
29 institution of higher education, the notice under paragraph
30 (1) must be submitted on a form developed by the Department

1 of Education and shall specify the amount of tuition and
2 school-related fees attributable to an available seat. The
3 amount under this paragraph shall not exceed the amount that
4 a school under this paragraph would have charged to a student
5 who had not received a scholarship under this article. For
6 the amounts received in a scholarship, the resident school
7 district is not liable for school payment.

8 (c) Tuition rates.--

9 (1) No school district of a participating public school,
10 participating nonpublic school, area career and technical
11 education school, charter school, regional charter school or
12 institution of higher education may charge a recipient a
13 higher tuition rate or school-related fee than the school
14 district of the participating public school, participating
15 nonpublic school, area career and technical education school,
16 charter school, regional charter school or institution of
17 higher education would have charged to a similarly situated
18 student who is not receiving a scholarship.

19 (2) Notwithstanding the provisions of section 2561, a
20 school district of a participating public school may charge a
21 recipient a tuition rate that is lower than that charged to
22 students who are not recipients of scholarships.

23 (d) Participating public school criteria.--The following
24 criteria apply to a participating public school:

25 (1) Except as otherwise provided in this article, a
26 school district shall enroll students in a participating
27 public school on a lottery basis from a pool of recipients
28 who meet the application deadline set by the Department of
29 Education until the participating public school fills the
30 school's available seats. The pool may not include a

1 recipient who:

2 (i) Has been expelled or is in the process of being
3 expelled under section 1317.2 or 1318 and applicable
4 regulations of the State Board of Education.

5 (ii) Has been recruited by the school district or
6 its representatives for athletic purposes.

7 (2) The enrollment of recipients may not place the
8 school district in violation of a valid and binding
9 desegregation order.

10 (3) Priority shall be given to:

11 (i) An existing recipient.

12 (ii) A recipient who is a sibling of a student
13 currently enrolled in the school district.

14 (e) Participating entity criteria.--The following criteria
15 shall apply:

16 (1) The participating nonpublic school, area career and
17 technical education school, charter school, regional charter
18 school or institution of higher education may not
19 discriminate on a basis which is illegal under Federal or
20 State laws applicable to nonpublic schools.

21 (2) The participating nonpublic school, area career and
22 technical education school, charter school, regional charter
23 school or institution of higher education shall comply with
24 section 1521.

25 (3) The participating nonpublic school, area career and
26 technical education school, charter school, regional charter
27 school or institution of higher education may not recruit a
28 student for athletic purposes.

29 (f) Student rules, policies and procedures.--

30 (1) Prior to enrollment of a recipient, a school

1 district of a participating public school, participating
2 nonpublic school, participating area career and technical
3 education school, participating charter school, participating
4 regional charter school or participating institution of
5 higher education shall inform the parent of a recipient of
6 each rule, policy and procedure of the participating public
7 school, participating nonpublic school, participating area
8 career and technical education school, participating charter
9 school, participating regional charter school or
10 participating institution of higher education, including any
11 academic policy, disciplinary rule or administrative
12 procedure of the participating public school, participating
13 nonpublic school, participating area career and technical
14 education school, participating charter school, participating
15 regional charter school or participating institution of
16 higher education.

17 (2) Enrollment of a recipient in a participating public
18 school, participating nonpublic school, participating area
19 career and technical education school, participating charter
20 school, participating regional charter school or
21 participating institution of higher education shall
22 constitute acceptance of any rule, policy or procedure of the
23 participating public school, participating nonpublic school,
24 participating area career and technical education school,
25 participating charter school, participating regional charter
26 school or participating institution of higher education.

27 (g) Transportation.--

28 (1) Transportation of recipients of school age, as
29 defined in section 2002-B, shall be provided under section
30 1361.

1 (2) Reimbursement shall be as follows:

2 (i) Transportation of a recipient of school age, as
3 defined in section 2002-B, attending a participating
4 public school shall be subject to reimbursement under
5 section 2541.

6 (ii) Transportation of a recipient of school age, as
7 defined in section 2002-B, attending a participating
8 nonpublic school, participating area career and technical
9 education school, participating charter school,
10 participating regional charter school or participating
11 institution of higher education shall be subject to
12 reimbursement under sections 2509.3 and 2541.

13 (h) Construction.--Nothing in this article shall be
14 construed to:

15 (1) Prohibit a participating nonpublic school from
16 limiting admission to a particular grade level, a single
17 gender or areas of concentration of the participating
18 nonpublic school, including mathematics, science and the
19 arts.

20 (2) Authorize the Commonwealth or any of its agencies,
21 officers or political subdivisions to impose additional
22 requirements on a participating nonpublic school which are
23 not otherwise authorized under the laws of this Commonwealth
24 or to require a participating nonpublic school to enroll a
25 recipient if the participating nonpublic school does not
26 offer appropriate programs or is not structured or equipped
27 with the necessary facilities to meet the special needs of
28 the recipient or does not offer a particular program
29 requested.

30 Section 2010-H. Scholarships.

1 (a) Notice.--By ~~February 1, 2019~~ NOVEMBER 1, 2018, and each <--
2 February 1 thereafter, the department shall provide all career
3 and technical partnership organizations with a list of each
4 participating public school, area career and technical education
5 school, charter school, regional charter school or institution
6 of higher education in this Commonwealth located within each
7 county.

8 (b) Award.--

9 (1) A career and technical partnership organization may
10 award a scholarship to an eligible student who plans to
11 enroll in the upcoming school year at a participating public
12 school, area career and technical education school, charter
13 school, regional charter school or institution of higher
14 education in this Commonwealth providing career and technical
15 education selected by the parent or guardian of the
16 applicant.

17 (2) If an eligible student who received a scholarship
18 for the prior school year resides within the attendance
19 boundary of a participating public school, area career and
20 technical education school, charter school, regional charter
21 school or institution of higher education in this
22 Commonwealth that was removed from the list provided by the
23 department under subsection (a), the eligible student may
24 receive a scholarship.

25 (3) The scholarship may be for each year of enrollment
26 in a participating public school, area career and technical
27 education school, charter school, regional charter school or
28 institution of higher education for up to five years or until
29 the eligible student reaches 23 years of age, whichever
30 occurs first, if the applicant otherwise remains eligible.

1 (4) In awarding scholarships, a career and technical
2 partnership organization shall give preference to any of the
3 following:

4 (i) An eligible student who received a scholarship
5 for the prior school year.

6 (ii) An eligible student who would like to enroll in
7 a participating public school, area career and technical
8 education school, charter school or regional charter
9 school with a waiting list.

10 (iii) An eligible student participating in dual
11 enrollment programs that meet the requirements of the
12 law.

13 (iv) An eligible student enrolled in courses that
14 will result in employment in a high-demand occupation.

15 (c) Home schooling.--A career and technical partnership
16 organization shall not award a scholarship to an applicant for
17 enrollment in a home education program under section 1327.1.
18 Section 2011 H. Carryover, carryback, refund and assignment. <--

19 ~~(a) Carryover. If a taxpayer cannot use the entire amount~~
20 ~~of the tax credit for the taxable year in which the taxpayer is~~
21 ~~eligible for the credit, the excess may be carried over to~~
22 ~~succeeding taxable years and used as a credit against the~~
23 ~~taxpayer's tax liability for those taxable years. Each time that~~
24 ~~the tax credit is carried over to a succeeding taxable year it~~
25 ~~shall be reduced by the amount of tax credits claimed during the~~
26 ~~immediately preceding taxable year. The tax credits awarded~~
27 ~~under this act may not be utilized for tax years beginning after~~
28 ~~December 31, 2020.~~

29 ~~(b) Carryback or refund. A taxpayer may not be entitled to~~
30 ~~carry back or obtain a refund of an unused tax credit.~~

1 ~~(c) Sale or assignment. A taxpayer, upon application to and~~
2 ~~approval by the Department of Revenue, may sell or assign, in~~
3 ~~whole or in part, a tax credit granted to the taxpayer under~~
4 ~~this article if the taxpayer does not have a tax liability~~
5 ~~against which the tax credit may be applied in a taxable year in~~
6 ~~which the tax credit is permitted to be claimed. The Department~~
7 ~~of Revenue shall establish guidelines for the approval of an~~
8 ~~application under this subsection. Before an application is~~
9 ~~approved, the Department of Revenue shall make a finding that~~
10 ~~the taxpayer and its assignee have filed the required State tax~~
11 ~~reports and returns for the taxable years and paid any balance~~
12 ~~of State tax due as determined by the Department of Revenue.~~

13 ~~(d) Purchaser and assignee. The purchaser or assignee of a~~
14 ~~tax credit under subsection (c) shall immediately claim the~~
15 ~~credit against its tax liability in the taxable year in which~~
16 ~~the purchase or assignment is made. The purchaser or assignee~~
17 ~~may not carry back, carry forward or obtain a refund of or sell~~
18 ~~or assign the tax credit. The purchaser or assignee shall notify~~
19 ~~the Department of Revenue of the seller or assignor of the tax~~
20 ~~credit in compliance with procedures specified by the Department~~
21 ~~of Revenue.~~

22 ~~Section 2012-H 2011-H. Original jurisdiction.~~

<--

23 ~~The Pennsylvania Supreme Court shall have exclusive and~~
24 ~~original jurisdiction to hear a challenge or to render a~~
25 ~~declaratory judgment concerning the constitutionality of this~~
26 ~~article. The Pennsylvania Supreme Court may take an action as~~
27 ~~the court deems appropriate, consistent with the Pennsylvania~~
28 ~~Supreme Court's retaining jurisdiction over the matter, to find~~
29 ~~facts or to expedite a final judgment in connection with a~~
30 ~~challenge or request for declaratory relief.~~

1 Section 2013-H 2012-H. Annual report to General Assembly.

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2 (a) Submittal.--

3 (1) No later than June 1, 2019, and September 1 of each
4 year thereafter, the Secretary of Community and Economic
5 Development shall submit a report to the General Assembly
6 summarizing the effectiveness of the tax credits provided by
7 this article.

8 (2) The report shall be submitted to all of the
9 following:

10 (i) The chairperson and minority chairperson of the
11 Appropriations Committee of the Senate.

12 (ii) The chairperson and minority chairperson of the
13 Education Committee of the Senate.

14 (iii) The chairperson and minority chairperson of
15 the Appropriations Committee of the House of
16 Representatives.

17 (iv) The chairperson and minority chairperson of the
18 Education Committee of the House of Representatives.

19 (b) Contents.--The report shall include the following
20 information:

21 (1) The amount of tax credits claimed for contributions
22 to a career and technical partnership organization during the
23 fiscal year.

24 (2) A funding evaluation of the program and
25 recommendations.

26 Section 2. Within 10 days of the development of the
27 guidelines under section 2008-H of the act, the Department of
28 Community and Economic Development shall provide notice of the
29 development of the guidelines to the Legislative Reference
30 Bureau, which shall publish the notice in the Pennsylvania

1 Bulletin.

2 Section 3. The addition of Article XX-H of the act shall
3 apply to taxable years commencing after December 31, 2018.

4 Section 4. This act shall take effect as follows:

5 (1) The following shall take effect immediately:

6 (i) This section.

7 (ii) Section 2 of this act.

8 (iii) Section 3 of this act.

9 (iv) The addition of sections 2001-H, 2002-H and
10 2008-H of the act.

11 (2) The remainder of this act shall take effect ~~30 days~~ <--
12 ~~after~~ IMMEDIATELY UPON publication in the Pennsylvania <--
13 Bulletin of the notice under section 2 of this act.